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C O N F I D E N T I A L ROME 003917

SIPDIS

E.O. 12958: DECL: 10/06/2014

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SUBJECT: ITALY AGREES ON NEED FOR IMMEDIATE AID FOR CYPRUS,
TRADE AGREEMENT NOT AS EASY

REF: STATE 209905

Classified By: POL MINISTER-COUNSELOR TOM COUNTRYMAN. REASON: 1.5 (B)(
D)

1. (C) MFA Turkey/Cyprus Office Director Renato Ricci told Poloff on October 4 that Italy concurs with the US view (REFTEL) that increased economic development in North Cyprus will aid reunification. To that end, Italy supports rapid disbursement of the Commission's proposed Euro 259 million aid package, and appreciated the USD 30.5 million contribution. Ricci's personal view was that even these generous amounts were not sufficient to promote business development and economic growth in the North, and he would not be surprised if an additional more robust package would be proposed for the near future, particularly if it was perceived by Member States to help the cause of Turkey receiving a date to start EU accession talks at the December Council.

2. (C) Ricci recognized that long term growth in the North could not be sustained indefinitely by handouts, and that a major component of Turkish-Cypriot economic development and stabilization for the island in general depended on a trade agreement for the North. The EU would have to work carefully to craft an agreement acceptable to both sides of the island, as well as to Ankara and Athens. Ricci was confident this could be accomplished in relatively short order in Brussels.

SEMBLER

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